

PENSION NEWS

May 1979

STATE LEGISLATION

H. B. 2202 (Rep. Fred J. Tuerk, R-Dist. 46) - appropriates \$56,345,300 for the Chicago Teachers' Pension Fund.

H. B. 1175 (Rep. Jacob J. Wolf, R-Dist. 17) - appropriates \$800,000 for the Retired Teachers' Supplementary Payment.

S. B. 334 (Sen. Robert J. Egan, D-Dist. 16) - changes prescribed accounting for donations and bequests and increases the allowable investment in equities from 33-1/3% to 40%.

H. B. 959 (Rep. Roger P. McAuliffe, R-Dist. 16) - reduces amount of service without discount in pension from 35 to 30 years.

H. B. 1876 (Rep. Vincent A. Birchler, D-Dist. 58) - increases the automatic annual increase in pension from 3% to 4%.

S. B. 218 (Sen. Samuel C. Maragos, D-Dist. 30) - grants up to 5 years of military service credit in computation of pension, regardless of when military service was rendered.

H. B. 1055 (Rep. Jesse C. White, Jr., D-Dist. 13, and Rep. Richard A. Mautino, D-Dist. 37) - begins automatic annual increase in pension at age 56 instead of 61 years of age.

H. B. 995 (Rep. James C. Taylor, D-Dist. 26; Rep. Susan Catania, R-Dist. 22; Rep. Carol Moseley Braun, D-Dist. 24) - allows validation of 12 months of unpaid maternity leave for pension credit by payment therefor.

S. B. 300 (Sen. LeRoy W. Lemke, D-Dist. 25, and Sen. Howard W. Carroll, D-Dist. 15) - allows validation of 12 months of unpaid maternity leave for pension credit by payment therefor.

H. B. 2722 (Rep. Taylor Pouncey, D-Dist. 26) - grants use of graduated pension formula for service over 10 and less than 20 years at age 62.

H. B. 1379 (Rep. Edmund E. Kornowicz, D-Dist. 25) - grants a one-time increase for pensioners receiving less than \$4,000 per year.

ANNUAL REPORT HIGHLIGHTS

The 83rd Annual Report and financial statements of the Fund for the year ended August 31, 1978, are being printed and should be in the schools shortly.

Contributors will be pleased to know that the Fund's financial strength improved somewhat as shown by the ratio of net assets to total liabilities at year end. The current 42.5% rate compares with the 39.8% a year ago. Total benefits paid were close to \$70,000,000, most of which was in the form of monthly annuity checks from the pension office to 9,000 annuitants.

The Annual Report is a recapitulation of the operating and financial information appearing in the proceedings of the Board of Trustees. Two copies are sent to every school and are usually kept in the library. Contributors desiring information on Fund affairs before the end of the year are referred to the proceedings.

PENSION NEWS

Due to increasing production and distribution costs, Pension News and legislative reports are not being sent as frequently as in the past. However, contributors are assured that whenever important information develops, they will be notified promptly.

ELECTION OF PENSION FUND REPRESENTATIVES

During the month of May, schools in odd-numbered districts and the central office of the Board of Education are scheduled to hold elections for pension representatives and judges of election for two-year terms. Schools in even-numbered districts with vacancies in these positions will fill them for one year. The deadline for sending the election results to the pension office is May 25.

FEDERAL LEGISLATION

H. R. 398 (Guyer) - eliminates reduction in Social Security benefits for spouses and surviving spouses receiving certain government pensions.

H. R. 510 (Kildee) - excludes from gross income certain portion of amounts received as annuities, pensions, and other retirement benefits.

H. R. 628 (Corman) - allows certain individuals who are participating in employer pension plans a deduction for their contributions to such plans.

H. R. 801 (White) - eliminates the offset against Social Security benefits in the case of spouses and surviving spouses receiving certain government pensions.

H. R. 962 (Brodhead) - allows certain individuals who are participating in employer pension plans a deduction for their contributions to such plans.

H. R. 1063 (Latta) - eliminates reduction in Social Security benefits for spouses and surviving spouses receiving certain government pensions.

S. 75 (Dole) - allows a retirement savings deduction for persons covered under certain pension plans.

S. 294 (Mathias) - eliminates the reduction in Social Security benefits for spouses and surviving spouses receiving certain government pensions.

SOCIAL SECURITY OFFSET PROVISION

A number of bills have been reintroduced in the 96th Congress to renew efforts to repeal Section 334 of Public Law 95-216. Section 334 now provides that Social Security payments to a spouse or surviving spouse are to be reduced dollar for dollar for any benefits resulting from the spouse's own work in public employment not now covered by Social Security. Inasmuch as this kind of legislation is already introduced, Chicago teachers may wish to make their position known to their federal legislators.

MANDATORY SOCIAL SECURITY COVERAGE

Numerous federal study groups have been examining the question of mandatory Social Security coverage for local government employees. The Universal Social Security Study Group created by the 1977 federal legislation has completed its hearings and is in the process of preparing its report which is due to be sent to the Congress by December 1979.

However, Representative J. J. Pickle (D-Texas), who is now Chairman of the Sub-committee on Social Security of the House Ways and Means Committee, is requesting the Study Group to provide preliminary draft materials as soon as possible. It is unlikely that any mandatory legislation would be introduced before the publication of this Study Group report.

President Carter has now named the members of his Commission on Pension Policy. This Commission will also address the question of compulsory coverage of public employees.

PRE-RETIREMENT MEETINGS

Contributors planning retirement at the close of school this year should contact the pension office early or attend one of the pre-retirement meetings in order to be added to the pension payroll as soon as possible.

During May the Fund will conduct meetings for contributors who plan to retire in June. Benefits and conditions of retirement will be explained, i. e., pension checks, pension deductions, Blue Cross-Blue Shield coverage, taxes on pensions, survivors' benefits and employment after retirement. All necessary forms will be completed and notarized.

Interested members are requested to call the pension office (641-4464) for dates of meetings and additional information.